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OFFICE OF THE AUDITOR GENERAL
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SUPPLEMENTAL DIGEST

DEPARTMENT OF HUMAN SERVICES

APRIL 2002

Today we are releasing a total of 24 audits of the Department of Human Services. This includes the Central Office, 9 Developmental Centers, 8 Mental Health Centers, 2 combination Mental Health / Developmental Centers, 3 Centers for Rehabilitation & Education and a performance audit of the Department's Early Intervention Program.

The Department of Human Services - Central Office audit is a financial audit for the Department as a whole for the year ended June 30, 2001 and a compliance audit for the two years ended June 30, 2001. The 22 Center audits are compliance audits for the two years ended June 30, 2001. The Early Intervention Program report contains the results of the performance procedures performed in auditing the Department's Early Intervention Program.

The compliance audits of the Central Office and the Centers contained 42 findings, down from 47 findings for the audits performed for the two years ending June 30, 1999. Audit reports on 10 Centers had no findings. These Centers are to be commended for their record in maintaining good fiscal controls.

The more prevalent findings in the June 30, 2001 audits were in the areas of inventory, payroll & personnel, revenue / receipts and statutory mandates. The attached schedule summarizes the findings disclosed in our compliance audit reports of the Central Office and Centers.

We also have included summaries of certain operational and statistical data in the attached charts and schedules. For example, one chart shows the average number of residents by Center, the chart also groups the Centers by function and gives subtotals by function and for the Department as a whole. For FY 2001 there was an average of 5,330 residents at all Centers compared to 5,428 for FY 2000 and 5,593 for FY 1999.

Another chart outlines the average cost per year per resident, this chart outlines the average cost per resident by Center and groups the Centers by function. This chart notes the average cost for FY2000, FY 1999 and FY 1998, the FY 2001 data had not been calculated by the Department by the close of our audit fieldwork. For FY 2000 the average cost per year per resident ranged from a high of \$259,266 at Zeller Mental Health Center to a low of \$55,111 at the Illinois School for the Deaf.

The final chart shows the number of employees per resident by Center for FY2001, FY2000 and FY 1999, it also groups the Centers by function. For FY 2001 the number of employees per resident ranged from 3.5 employees per resident at Zeller Mental Health Center to .47 employees per resident at the Illinois Center for Rehabilitation & Education. Wood

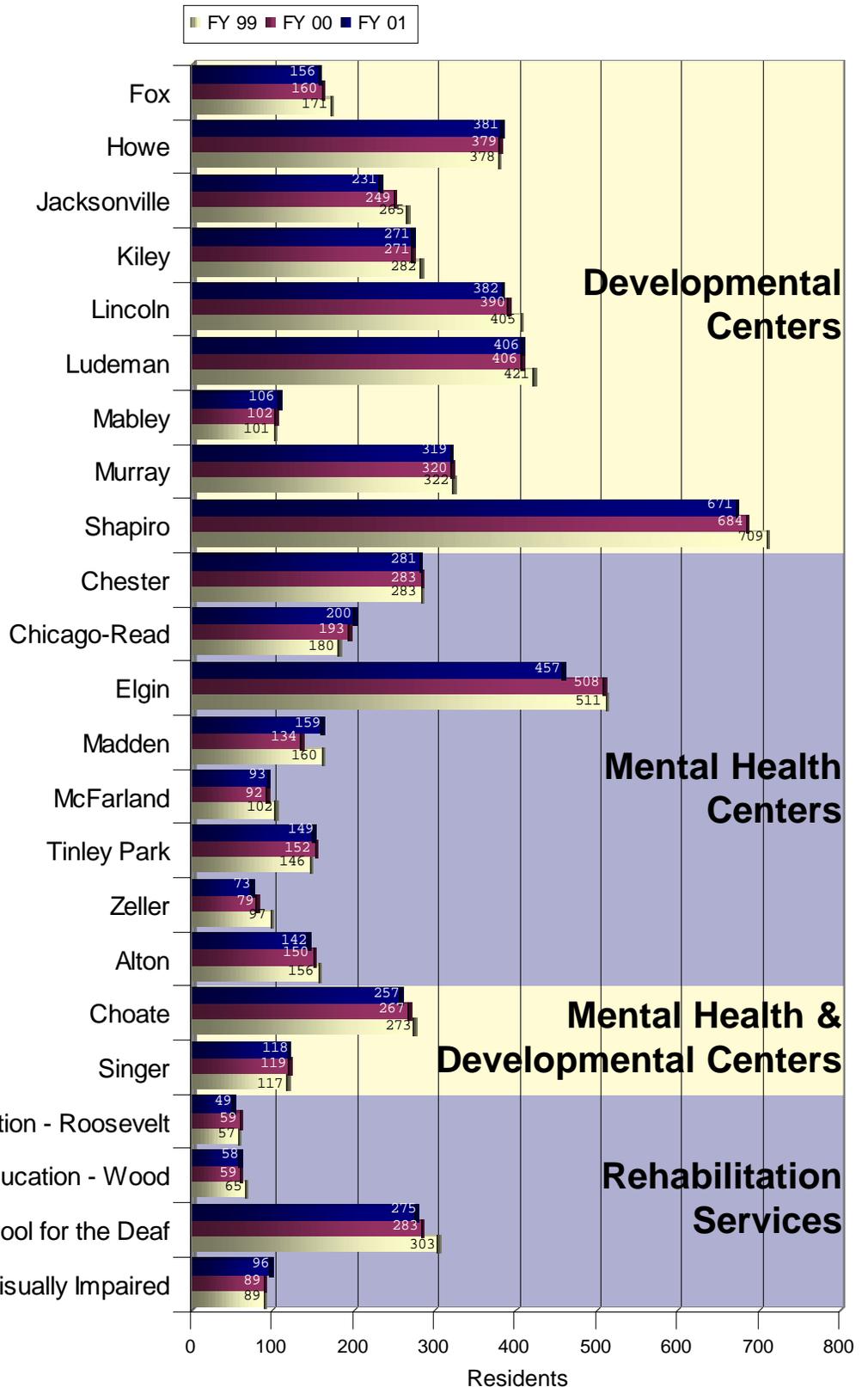
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Major Findings By Topic

# of Findings		Topic
FY 99	FY01	
6	8	INVENTORY Adjustments not correctly posted to the perpetual records, commodity inventory transactions not timely posted, excessive number of year end inventory adjustments required, adequate commodity inventory records not maintained, inventory levels in excess of one year's usage, inventory improperly counted, inventory improperly valued.
6	7	PAYROLL AND PERSONNEL Employee performance evaluations were not performed timely, employees were delinquent in completing required training, leaves of absence were not properly documented and monitored, personnel files did not contain all the required documentation, lack of controls over monitoring unemployment insurance benefits.
9	7	REVENUE / RECEIPTS Medicare-eligible physician services performed were not submitted to Medicare for reimbursement, inadequate follow-up on laboratory services billed to Medicare, receipts were not recorded in the accounting records and deposited timely, reconciliations were not performed or were not performed timely, reconciling items and interfund transfers are not being posted to the primary accounting system.
5	6	STATUTORY MANDATES There were no procedures to advise residents as to the circumstances which the law permits the use of emergency forced medication, restraints or seclusion, patient files either had missing or incomplete documentation, report on child care services performed during prior fiscal year and paid from current year appropriation not filed, grant to American Diabetes Association not made, advisory councils not meeting as required by State law.
9	4	PROPERTY, PLANT & EQUIPMENT Inadequate controls were not maintained over property and equipment, inadequate accounting and recording of property, bidding requirements of the Illinois Procurement Code were circumvented to purchase FAX machines.
0	2	APPROPRIATIONS Current year appropriations were used to "forward fund" future service to avoid lapsing funds, child-care services rendered during FY02 were paid from FY01 appropriations.
0	2	COMMODITIES Inefficient purchasing of pharmaceutical commodities, commodity expenditures and ending inventory related to federal non-cash awards were not properly recorded on the accounting records.
0	2	TRAVEL Mileage and meal allowances were reimbursed for normal commuting, methodology for allocating bulk airline tickets contained numerous weaknesses and inaccuracies.
3	1	REPORTS & RECORDS Weaknesses in preparation of GAAP reporting forms submitted to the Office of the Comptroller and preparation of year-end financial statements.
1	1	TELECOMMUNICATIONS Lack of follow-up and corrective action on international telephone calls.
7	1	OPERATIONS Illinois Department of Public Health recommended that a Center's Medicaid Agreement be terminated which could lead to a loss of federal funding.
1	1	OPERATIONS OF AUTOMOBILES Motor vehicle accidents were not reported to the Dept. of Central Management Services in a timely manner.
47	42	TOTAL OF MAJOR FINDINGS

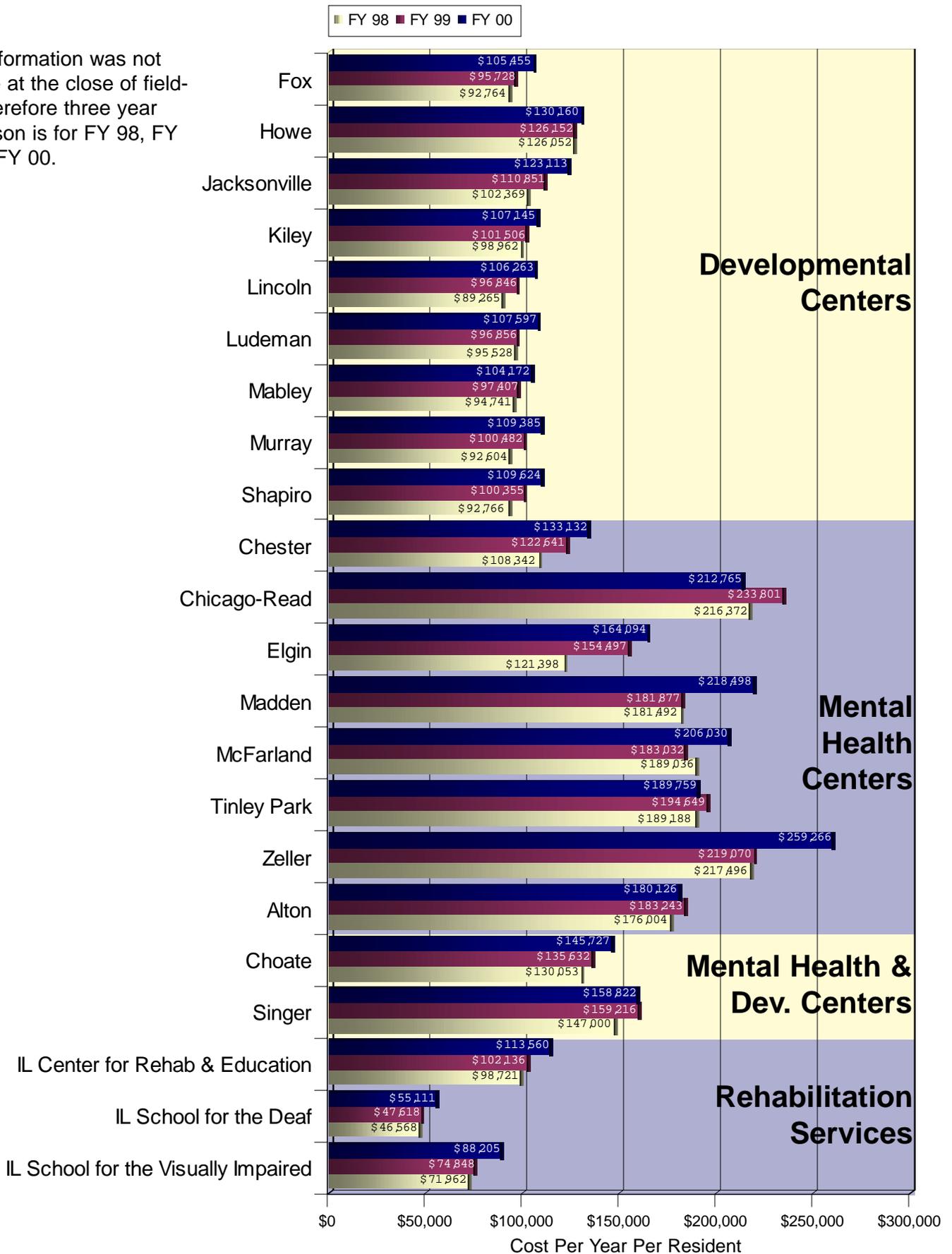
Average Number of Residents

Developmental Centers		
FY 99	FY 00	FY 01
<u>3,054</u>	<u>2,961</u>	<u>2,923</u>
Mental Health Centers		
FY 99	FY 00	FY 01
<u>1,635</u>	<u>1,591</u>	<u>1,554</u>
Mental Health & Developmental Centers		
FY 99	FY 00	FY 01
<u>390</u>	<u>386</u>	<u>375</u>
Rehabilitation Services		
FY 99	FY 00	FY 01
<u>514</u>	<u>490</u>	<u>478</u>
TOTAL		
FY 99	FY 00	FY 01
<u>5,593</u>	<u>5,428</u>	<u>5,330</u>



Average Cost Per Year Per Resident

FY 01 information was not available at the close of field-work, therefore three year comparison is for FY 98, FY 99, and FY 00.



Number of Employees Per Resident

